SURFACE RIGHTS BOARD
AND
LAND COMPENSATION BOARD

ANNUAL REPORT

2001

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ANNUAL REPORT - 2001

LAND COMPENSATION BOARD & SURFACE RIGHTS BOARD

During 2001, Les Miller, who was appointed to the Boards in 1985, left the Office of Chairman and continues as an acting member with our other acting member, Hervy Watson. We are appreciative of his years of service and the fact these Boards will continue to benefit from his extensive knowledge and experience.

It was my pleasure to become Chairman of these Boards on September 1, 2001 and my privilege to provide this report for the calendar year 2001.

During 2001, a program began to update our Information Technology equipment that is expected to be completed in the first quarter of 2002. This will enable us to establish a comprehensive Web site which will enhance our ability to provide information to land owners, land agents, the legal profession, operators of oil and gas wells, pipelines and utilities in our province.

Section 33 of the Surface Rights Act was amended by the Legislative Assembly in 2001 to increase the Board's jurisdiction with respect to damage claims from $5,000.00 to $25,000.00. This has resulted in an increased number of applications under this section, a trend which is likely to continue.

It is expected the resolution of the Legacy Petroleum Ltd. liquidation will result in significant savings to the Minister of Finance in the 2001-2002 fiscal year and subsequent years but these savings will be eroded because of aging wells in our province and the inability of orphan well programs to keep up with a growing number of abandoned wells without reclamation certificates having been issued.

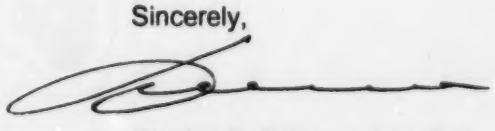
We have been actively engaged with the A.E.U.B. in the development of its Alternate Dispute Resolution program to mediate disputes rather arbitrate them. It is the Surface Rights Board's policy to act as a mediator rather than an arbitrator where it is possible.

Changes were made in the Surface Rights Board administrative procedures effective January 1, 2002 whereby hearings will no longer be necessary for Consent Right of Entry and Compensation applications which will result in a reduction of the burden on the Board's administrative services.

The Surface Rights Board looks forward to 2002 and continuing to provide information and assistance to landowners and those who require access to their lands for the development of the resources of our Province.

Respectfully submitted on behalf of the Boards.

Sincerely,



Stanley S. Schumacher, Q.C.
Chairman

STATEMENT 1

SURFACE RIGHTS BOARD

SUMMARY OF APPLICATIONS UNDER THE SURFACE RIGHTS ACT
FOR RIGHT OF ENTRY FOR OIL AND GAS
DEALT WITH IN 2001

	CROWN	PRIVATE	TOTAL
APPLICATIONS:			
Carried over from previous year	2	27	29
Received during the year	3	49	52
	5	76	81
APPLICATIONS DISPOSED OF:			
Right of Entry granted			
- compensation determined	2	49	51
- settled independently of Board	0	0	0
No Right of Entry granted			
- application withdrawn	0	0	0
- settled privately	0	3	3
	2	52	54
APPLICATIONS OUTSTANDING:	3	24	27

STATEMENT 2

SURFACE RIGHTS BOARD

SUMMARY OF APPLICATIONS UNDER THE SURFACE RIGHTS ACT
FOR RIGHT OF ENTRY FOR PIPELINES
DEALT WITH IN 2001

	CROWN	PRIVATE	TOTAL
APPLICATIONS:			
Carried over from previous year	1	55	56
Received during the year	14	219	233
	15	274	289
APPLICATIONS DISPOSED OF:			
Right of Entry granted			
- compensation determined	4	84	88
- settled independently of Board	1	1	2
No Right of Entry granted			
- application withdrawn	0	16	16
- settled privately	0	0	0
	5	101	106
APPLICATIONS OUTSTANDING:	10	173	183

STATEMENT 3

SURFACE RIGHTS BOARD

SUMMARY OF APPLICATIONS UNDER THE SURFACE RIGHTS ACT
FOR RIGHT OF ENTRY FOR OTHER MATTERS
DEALT WITH IN 2001

	CROWN	PRIVATE	TOTAL
APPLICATIONS:			
Carried over from previous year	0	2	2
Received during the year	0	0	0
	0	2	2
APPLICATIONS DISPOSED OF:			
Right of Entry granted			
- compensation determined	0	2	2
- settled independently of Board	0	0	0
No Right of Entry granted			
- application withdrawn	0	0	0
- settled privately	0	0	0
	0	0	0
APPLICATIONS OUTSTANDING:	0	0	0

STATEMENT 4

SURFACE RIGHTS BOARD

SUMMARY OF APPLICATIONS UNDER THE SURFACE RIGHTS ACT
FOR RIGHT OF ENTRY FOR POWER TRANSMISSION LINES
DEALT WITH IN 2001

	CROWN	PRIVATE	TOTAL
APPLICATIONS:			
Carried over from previous year	0	16	16
Received during the year	0	0	0
	0	16	16
APPLICATIONS DISPOSED OF:			
Right of Entry granted			
- compensation determined	0	16	16
- settled independently of Board	0	0	0
No Right of Entry granted			
- application withdrawn	0	0	0
- settled privately	0	0	0
	0	16	16
APPLICATIONS OUTSTANDING:	0	0	0

STATEMENT 5

SURFACE RIGHTS BOARD

SUMMARY OF APPLICATIONS UNDER THE SURFACE RIGHTS ACT
FOR ALL APPLICATIONS FOR RIGHT OF ENTRY
DEALT WITH IN 2001

	CROWN	PRIVATE	TOTAL
APPLICATIONS:			
Carried over from previous year	3	100	103
Received during the year	17	268	285
	20	368	388
APPLICATIONS DISPOSED OF:			
Right of Entry granted			
- compensation determined	6	151	157
- settled independently of Board	0	0	0
No Right of Entry granted			
- application withdrawn	0	16	16
- settled privately	1	4	5
	7	171	178
APPLICATIONS OUTSTANDING:	13	197	210

STATEMENT 6

SURFACE RIGHTS BOARD

SUMMARY OF APPLICATIONS UNDER THE SURFACE RIGHTS ACT
FOR TERMINATION OF RIGHT OF ENTRY IN FULL
DEALT WITH IN 2001

APPLICATIONS RECEIVED:

Carried over from previous year	7
Received during the year	97
	104

APPLICATIONS DISPOSED OF:

Request for termination granted	100
Request for termination withdrawn	1
	101

APPLICATIONS OUTSTANDING: 3

STATEMENT 7

SURFACE RIGHTS BOARD

SUMMARY OF APPLICATIONS UNDER THE SURFACE RIGHTS ACT FOR TERMINATION IN PART OF RIGHT OF ENTRY DEALT WITH IN 2001

APPLICATIONS RECEIVED:

Carried over from previous year	1
Received during the year	11
	12

APPLICATIONS DISPOSED OF:

Request for termination granted	11
Request for termination withdrawn	0
	11

APPLICATIONS OUTSTANDING: 1

SURFACE RIGHTS BOARD

SUMMARY OF RATE OF COMPENSATION REVIEWS PURSUANT TO SECTION 27 OF THE SURFACE RIGHTS ACT DEALT WITH IN 2001

APPLICATIONS RECEIVED:

Carried over from previous year	26
Received during the year	49
	75

APPLICATIONS DISPOSED OF:

Heard and compensation determined	30
Settled independently of Board	25
Withdrawn	3
Rejected - lack of jurisdiction	0
	58

APPLICATIONS OUTSTANDING: 17

STATEMENT 9

SURFACE RIGHTS BOARD

SUMMARY OF SETTLEMENTS OF DISPUTES
PURSUANT TO SECTION 33 OF THE SURFACE RIGHTS ACT
DEALT WITH IN 2001

APPLICATIONS RECEIVED:

Carried over from previous year	6
Received during the year	17
	23

APPLICATIONS DISPOSED OF:

Heard and compensation determined	8
Settled independently of Board	5
Withdrawn	2
Rejected - lack of jurisdiction	0
	15

APPLICATIONS OUTSTANDING: 8

STATEMENT 10

SURFACE RIGHTS BOARD

SUMMARY OF ALL APPLICATIONS FOR RECOVERY OF RENTAL PURSUANT TO SECTION 39 OF THE SURFACE RIGHTS ACT DEALT WITH IN 2001

APPLICATIONS RECEIVED:	494
APPLICATIONS DISPOSED OF:	
Paid by Provincial Treasurer	488
Paid by Operator	59
Discontinued/Settled	3

STATEMENT 11

SURFACE RIGHTS BOARD

SUMMARY OF BOARD HEARINGS DURING 2001

NO. OF APPLICATIONS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	TOTALS
SCHEDULED	58	16	14	10	133	15	14	18	27	17	164	11	497
RESCHEDULED	21	1	2	4	5	2	5	7	1	2	117	2	169
SETTLED	17	5	2	2	10	1	1	2	16	7	15	4	82
ADJOURNED	0	2	0	0	0	0	0	0	0	0	1	0	3
POSTPONED	0	2	0	0	0	1	1	0	0	0	0	0	4
WITHDRAWN	0	0	0	0	1	0	0	0	0	0	0	0	1
TOTALS	20	6	10	4	117	11	7	9	10	8	30	5	237
NO. OF APPLICATIONS HEARD AND COMPLETED													
Mineral Recovery	6	1	1	1	2	5	2	3	3	0	3	2	29
Pipelines	4	0	2	2	4	1	3	5	1	5	15	3	45
Power Transmission Lines	0	0	6	0	1	0	0	0	0	0	0	0	7
Objections	0	0	0	0	102	0	0	0	1	0	11	0	114
Damages	1	0	0	0	0	1	0	0	4	0	1	0	7
Reviews	4	5	1	0	8	3	1	1	1	3	0	0	27
Costs	0	0	0	1	0	0	0	0	0	0	0	0	1
Inquiries	5	0	0	0	0	1	1	0	0	0	0	0	7
Coal Mines	0	0	0	0	0	0	0	0	0	0	0	0	0
Expropriation	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTALS	20	6	10	4	117	11	7	9	10	8	30	5	237

STATEMENT 12

SURFACE RIGHTS BOARD

2001 APPEALS

Outstanding Appeals Carried Over	10	
Appeals Received During 2001	37	
TOTAL APPEALS CARRIED OVER AND RECEIVED DURING 2001		47
LESS:		
Abandoned, Settled, Withdrawn or Discontinued in 2001	7	
Court Actions in 2001	0	
SUBTOTAL		7
TOTAL APPEALS OUTSTANDING AT 2001 YEAR END		40

STATEMENT 13

LAND COMPENSATION BOARD

NEW CASES FILED WITH THE BOARD IN 2001:

Application for Determination of Compensation - Section 30 and Municipal Government Act	17
Notice of Motion - Procedural	14
Notice of Motion - Costs and Interest (Interim)	5
Rehearing from Alberta Court of Appeals	0
TOTAL	36

BOARD ORDERS ISSUED IN 2001 10